

From: Fred Costello <fred@fred4us.com>

Date: January 7, 2018 at 8:19:46 PM EST

To: "jjordan@fec.gov" <jjordan@fec.gov>

Cc: Steve & Darlynn Tacinelli <steve.tacinelli@hollandfinancial.com>, "Vic Baker" <vic@fred4us.com>

Subject: FW: Campaign Expenses for filing first report due Dec 30

Mr. Jordan:

Thank you for going the extra mile to let me know the December 29 FEC Complaint has now been received in your office.

While reading the information presented below, please keep in mind that we filed December 27, 2017 to become an official candidate for US Congress. And my Campaign Treasurer, Steve Tacinelli, CPA, sent me the below email December 28, the day before the Complaint was filed December 29. Obviously, we did not file and Steve did not send me the below email stating we are ready to go in response to the Complaint because it had not yet been filed and thus we had no idea it existed.

As I related on the phone, based upon the "Federal Election Commission Instructions for Statement of Candidacy (FEC FORM 2)"

I believe the facts show that this Complaint should be immediately dismissed.

Under "When to File" it says: "FEC FORM 2 must be filed within 15 days after an individual becomes a candidate (i.e., exceeds the \$5,000 threshold as stated in 1, 2, and 3, above)." On December 20, 2017, I wrote a personal check which took us past \$5,000 and thus required us to file within 15 days. Although I had hoped to delay filing until our planned January 6, 2018 Campaign Kick-Off, we filed for Congress on December 27, 2017, prior to the FEC Complaint being filed.

IF you/FEC are not able to immediately dismiss this Complaint, I will respond in detail to whatever questions you may have. But to be clear, I had NOT decided to become a candidate in August 2017 as inaccurately stated in the Complaint. The article referenced even accurately mentioned that I planned to become a candidate IF Congressman DeSantis decided to run for Governor ... and he had made no public announcement as to his plans. I believe it is important to note that I ran for Congress in 2016 when Congressman DeSantis was running for US Senate and Congressman DeSantis told me he had no plans to get back into the Congressional race. But when Senator Marco Rubio got back into the US Senate race (after an unsuccessful run for President), Congressman DeSantis got back into the Congressional race. Because of how things played out in 2016, I made a commitment to my supporters that I would not run against Congressman DeSantis and would not jump into the Congressional race and request contributions too early. Based upon FEC rules, we decided the best thing to do was to spend up to \$5,000 without filing to let folks to know that IF Congressman DeSantis announced for Governor, I would run for Congress as long as I was confident that Congressman DeSantis would not get back into the Congressional race.

(Congressman DeSantis announced for Governor January 5, the day before my Campaign Kick-Off, January 6.)

Although it is difficult to read, included in the (Attachment A) August 9, 2017 *Ormond Beach Observer* article "Former state Rep. Fred Costello eyes 6th District Congressional seat" is the statement "Former state Rep. Fred Costello, R-Ormond Beach, said he is ready to serve the district if DeSantis, A Republican now in his third term of Congress decides not to run." This is in addition to the statement referenced in the Complaint: "If (DeSantis) chooses to run for anything other than Congress, I feel like I'm the best candidate." I had chosen not to become candidate at that time because although we knew his plans, DeSantis had not publicly announced his plans.

As to the article which came from the phone interview referenced on page 2, I am fully confident that the author of the article will stipulate that I said I would only run IF Congressman DeSantis did not ... I was still not a candidate.

Attachment B clearly shows the statement: "If Congressman DeSantis does not run for re-election to Congress, I will run for US Congress & hope to have earned YOUR support!" Obviously, again I was still not a candidate because Congressman DeSantis had not yet announced that he was not running for re-election.

As to Attachment C (referenced on page 3), I was building my team to be ready for if/when Congressman DeSantis announced his bid for Governor. All of my team were fully aware that I would not run for Congress unless Congressman DeSantis ran for Governor. If it matters, and I believe it does not because we had not yet spent \$5,000, we can provide the names of multiple attendees at the referenced December 12 Volusia County Republican Executive Committee Christmas Party who will state that when Vic Baker handed out his card to them, he specifically related to them that if Congressman DeSantis runs for Governor, Fred (Costello) would be running for Congress and he (Vic Baker) would be my Campaign Manager. I had not yet gone over the \$5,000 threshold (which would have forced me to announce within 15 days of going over that threshold) and because Congressman DeSantis had not yet made his plans public, at that time I had not yet chosen to file as a candidate.

Again, although I don't think it matters since I had not yet spent \$5,000 (and had not accepted ANY contributions), I am fully confident I always said I would be a candidate "IF" Congressman DeSantis runs for Governor instead of re-election to Congress. And it was not out of concern for the FEC. I always said "IF" to assure friends that I would not run against Congressman DeSantis because we all like him. If necessary I can provide names of attendees at various meetings who will state that when candidates were invited to come up and speak, I did not go up and speak until the presider added a comment such as "and those thinking of running are also invited to speak" at which time I would go forward and relate that I would run IF Congressman DeSantis did not run. This scenario happened during the November 19, 2017 Flagler Trump Club meeting referenced at the bottom of page 2 and continued onto page 3. I responded

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and spoke after the invitation was opened beyond candidates. I wanted all to know I was not going to be a candidate against Congressman DeSantis.

Thank you for taking the time to read this email and the below email string. Please let me know if there is any additional information I can send to you that would be helpful in your deliberation. I am hopeful that you/FEC can immediately determine that this Complaint is without merit and throw it out.

Sincerely,

Fred Costello



Fred Costello for Congress
Steve Tacinelli, Campaign Treasurer
Holland Tax & Accounting
700 W. Granada Blvd., Suite 201
Ormond Beach, FL 32174
Email:
Fred@fred4US.com
Cell:

From: Steve & Darlynn Tacinelli <steve.tacinelli@hollandfinancial.com>

Date: Thursday, December 28, 2017 at 11:54 AM

To: Fred Costello <fred@fred4us.com>

Cc: Vic Baker <Vic@Fred4US.com>

Subject: RE: Campaign Expenses for filing first report due Dec 30

Hey Fred!

We are official! You are listed online for the 2018 election. The 10 day reporting requirement is required if there is any change in the committee (name, address, etc). I completed this prior to filing your statement of candidacy (switched me to Treasurer and David to Assistant Treasurer). Since we designated an existing committee and there is no change except for making me Treaurer, we don't need to file an amended Form 1 within the 10 days.

You filed as a candidate within 15 days of spending over \$5000, so we are good there as well. The expenditures will be included in the Year End 2017 report, due by Jan 31st, 2018. I will confirm this with the FEC information department.

Please remember to keep all records/receipts of expenditures!! I know it gets hectic but it makes my job much easier if I have clean accurate records...and it's the law :)

Regards,

Steve

From: Fred Costello [<mailto:fred@fred4us.com>]
Sent: Thursday, December 28, 2017 11:12 AM
To: Steve & Darlynn Tacinelli <steve.tacinelli@hollandfinancial.com>
Cc: Vic Baker <vic@fred4us.com>
Subject: Campaign Expenses for filing first report due Dec 30

Hi Steve!

I have attached a list of expenses to date.

I do not expect to have any additional expenses this year ... may need to write a couple of checks in first week of January.

My understanding is that we need to send in a report within 10 days of hitting the \$5000 threshold of expenses. We crossed the line Dec 20 (I wrote a check that put us over \$5000) so we need to file report this week. SORRY!!! I tried to make it easy by sending expenses in Excel ... let me know if you need anything else from me to help you file.

After we get some contributions, we will reimburse me and then use Campaign checks from now on.

As I understand it, we are now official. Right?

Call me if you have any ?s.

Thanks again ... we are off to the races!!!

(I could not remember if I have sent you the other attachments or not as fyi so delete if you have already seen them.)

Vic:

No need for you to do anything, but thought you might want to see expenses.

Hopefully you don't think of something I missed!



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